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C O N F I D E N T I A L SECTION 01 OF 04 CARACAS 001837

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NSC FOR DFISK AND DTOMLINSON

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TAGS: PGOV PHUM ELAB KDEM SCUL VE  
SUBJECT: MANUEL ROSALES: RUNNING FOR PRESIDENT, SLOWLY

REF: A. CARACAS 1665

1B. 05 CARACAS 3384  
1C. CARACAS 01262  
1D. CARACAS 00217

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Classified By: Robert Downes, Political Counselor,  
for Reason 1.4(b).

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Summary  
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11. (C) The campaign committee for Zulia Governor Manuel Rosales believes that, if he runs, the as-yet-undeclared candidate has a good shot at unifying the fractured opposition for the December presidential elections. Rosales is currently working with fellow opposition candidates Teodoro Petkoff and Julio Borges to develop a mechanism to select a single opposition candidate. Rosales is also moving to register his Zulia party, Un Nuevo Tiempo ("A New Time," UNT) at the national level, which will position him to declare his candidacy officially by mid-July, or later depending on the candidate selection process. Rosales would be an appealing candidate because of his political savvy, his solid performance as the head of a state government (the only currently viable opposition candidate with any executive experience), and relative newness to national politics. However, Rosales is dogged by timidity when it comes to fighting President Hugo Chavez, a possible indictment as a coup plotter, low poll numbers, and scant financial backing. It is an open question whether Rosales would have to give up permanently his gubernatorial seat were he to run for president. End summary.

12. (C) Poloffs met with Rosales campaign committee members Hector Alonso Lopez, Timoteo Zambrano, and Leonardo Rodriguez on June 8. Lopez, who has been described to us as "Rosales' man in Caracas," is a former reformist leader in Accion Democratica (AD), the party Rosales left in 2000. Despite

his withdrawal from politics in recent years, Lopez said he is re-activating his once extensive political network to serve Rosales. Zambrano is a founder of the center-left party Polo Democratico and former opposition negotiator during the days of the Coordinadora Democratica; he was presented half-jokingly as the "foreign minister" of the campaign.

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Building Up Steam  
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¶3. (C) Though he has yet to declare his candidacy, Zulia Governor Manuel Rosales may well be the most viable candidate to face President Hugo Chavez in December. Lopez said the reason Rosales has not declared is simply a tactic to deny the Chavistas a target until nearer to the elections. Rosales held a rally in Barquisimeto (note, Lara State, not Zulia) on February 4 in which more than 1,300 invited volunteers from across Venezuela kicked off UNT's drive to register its party at the national level. Lopez described the rally as historic, as a COPEI (Christian Democrat) mayor and an AD (Social Democrat) mayor shared the stage with UNT officials, with each garnering cheers from their respective factions. Rosales, however, had the support of the entire room. Lopez optimistically opined that this centrist alliance could form the backbone of a long-term political movement beyond the elections. The UNT, which Rosales founded from pieces of AD, COPEI, and MAS remnants in 2000 to win his first term as governor, subsequently obtained the required signatures in more than 10 states, though Lopez said the party needed to hold a follow-up drive to make some corrections. Lopez said the party planned to file its registration with the National Electoral Council (CNE) in mid-June, and expected to receive the formal nod from the CNE by the second week of July. This, Lopez, said, would

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position Rosales to make his candidacy official on or about July 15.

¶4. (C) Lopez said that despite not having made formal declaration, the Zulia Governor has not shrunk from the electoral limelight, putting himself regularly in camera shot with the two major declared opposition candidates, Teodoro Petkoff and Julio Borges. These three have been in close coordination and have announced they will work together to choose a single candidate, which Rosales supporters naturally think will be him (ref a). The three also pledged to develop a common electoral platform. Rosales has been pulling his weight at the CNE as well, lobbying the electoral authority for acceptable conditions to stage a fair contest in December. (Lopez said, as an aside, that the CNE's refusal to grant any conditions so far is putting all the candidacies at risk and could trigger massive abstentionism.) Lopez said that Rosales wants to be seen above the fray for now, not appearing to be competing directly with Petkoff or Borges, both weaker candidates, in Lopez' opinion, because of their appeal to limited segments of the Venezuelan public. Asked about why Rosales continued to trail Borges and Petkoff in the polls, Lopez pointed out that the other two have been campaigning for months -- Borges for more than a year. Rosales, he argued, had already surged upward after visiting only four states.

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Rosales: A Savvy, Centrist Worker  
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¶5. (C) As an candidate, Rosales would stand out as the only one currently holding office and the only one with executive experience. He is widely viewed as a successful administrator in Zulia, a state with more than 1.7 million registered voters who have voted him into office three times (including his term as mayor of Maracaibo). His campaign is running television spots full of images of Zulia social

projects clad with Rosales' likeness. He has told Emboffs that his extensive public services in the barrios have kept Chavez from winning hearts among the poor in Zulia (ref b), a reason he was re-elected to a second term in October 2004. Lopez argued that Rosales is above all a centrist, appealing both to the right and left. (We might add that Rosales is pragmatic and intentionally vague when it comes to his own ideology.) Lopez emphasized as well Rosales' ready acceptance in the barrios, where Chavez today finds it difficult to tread without a massive security entourage. Rosales' political skill is formidable, moreover, and regularly outshines the lackluster opposition with reasonable public statements and practical solutions to political snarls. This was the case in last December's failed parliamentary elections boycotted by the opposition. Rosales, whose UNT party stood to win the largest opposition bloc of seats, shrewdly called for a delay in the elections so the CNE and opposition could resolve concerns about vote secrecy. The BRV flatly rejected the idea, but Rosales nevertheless sailed through without being tarred as an abstentionist or opportunist.

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But, A Boring, Scaredy-Cat Coupster  
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¶6. (C) Rosales' talent for compromise at times gives way to a refusal to confront. Depending on the national government for much of his state's funding, Rosales has refrained from direct assaults on Chavez. Former COPEI presidential candidate Oswaldo Alvarez Paz told Poloff earlier this year that Rosales lacks the fortitude to take on Chavez (ref c) -- and predicted in a toe-to-toe contest with Hugo, Rosales would take a beating. Another Rosales weakness is his lack of charisma. The first 15 minutes of his speeches -- usually scripted -- border on inspirational. But when he delivers extended or extemporaneous remarks, he bogs down in

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repetition and minutiae. In meetings with Emboffs, he has droned endlessly (which, of course, is a standard politician's tool when you don't want to give anything away).

Finally, Rosales has two swords of Damocles hanging over his head because of trumped up Bolivarian accusations of coup-planning. BRV prosecutors have threatened repeatedly to charge Rosales for having signed the "Carmona Decree" of April 2002 that temporarily dissolved the branches of government. There is also the far less credible charge leveled by the pro-Chavez Maracaibo mayor earlier this year that Rosales had met with Colombian paramilitaries to discuss a plot to overthrow Chavez (ref d). The conventional wisdom is that Chavez can use these charges to force Rosales either in or out of the race, depending on Chavez' tactical read later in the campaign.

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Follow the Lack of Money  
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¶7. (C) Campaign finance in Venezuela is murky at best, but when asked how Rosales was financing his campaign, Lopez answered simply, "friends and foreign parties and governments." Leonardo Rodriguez said finances were a major concern and indicated the campaign was looking for cash. The principal problem, he said, was that anyone openly bankrolling a campaign immediately becomes a target for the BRV, which, thanks to SENIAT and CADIVI, has good information on money flows within and into the country. Rodriguez said funds would have to come from outside the country and that they would need to transfer the money carefully and secretly into Venezuela. Rodriguez said they had a network of Venezuelans able to facilitate such transfers. Separately, former Venezuelan ambassador to the United States Ignacio Arcaya told Polcouns June 9 that much of Rosales' money came from the owners of the Zulia lottery who owe their business to Rosales' administration.

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Don't Quit Your Day Job  
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¶8. (C) Article 229 of the Bolivarian Constitution prohibits any presidential candidate from holding, among other senior posts, a governorship, suggesting Rosales would have to give up his seat to run. Lopez told Poloff June 9 that the CNE itself had filed a request for interpretation with the Supreme Court (TSJ), which has yet to rule in the matter. Lopez said there is an ethical and fairness question of why Chavez is not required to resign, of which Chavez has boasted publicly, but Rosales or any other lower-ranked official would. We also note that the spirit of the Constitution is to prevent an official from using his position to benefit his political campaign, a concept Chavez violates repeatedly with his perpetual campaigning for re-election. Lopez added that if the TSJ decides against Rosales, a near certainty, it is not a cause of "anguish" for them. He pointed out that if Rosales reaches the mid-point of his governor's term, in November, then Venezuelan law would permit him to step down with the Rosales-controlled state legislative council naming the replacement. Presumably, concluded Lopez, citizen Rosales could be reinstated after the presidential election were he to lose.

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Comment  
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¶9. (C) A Rosales campaign is an intriguing idea. Crusty leftist Petkoff and nerdy right-wing Borges have probably reached their peaks after months of campaigning. With the Rosales campaign, however, timing is everything. If he can leverage his pact with Borges and Petkoff ease them out of the race in August; and if he can catch a wave of popularity as the UNT expands across Venezuela; and if (read, big IF!)

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the CNE concedes on enough points to increase voter confidence in the electoral process, then Rosales has a shot.

We are not/not suggesting that Rosales might defeat Chavez -- who is still popular and dominates the state apparatus for campaign purposes -- but there is a glimmer of hope he may be able to coalesce an opposition movement worthy of the name.

WHITAKER